

Good profitable growth

Netum's H1 was slightly above our expectations. Net sales grew 21.7% organically to EUR 10.4m (Evli EUR 9.8m) while the comparable EBITA amounted to EUR 1.6m (Evli EUR 1.5m). Netum reiterated its 2021 guidance, expecting net sales and comparable EBITA in 2021 to amount to EUR 20–22m and EUR 3.1–3.5m respectively.

- Netum's net sales in H1 amounted to EUR 10.4m (EUR 8.6m in H1/20), slightly above our estimates (Evli EUR 9.8m). Net sales in H1 grew 21.7% y/y, of which all was organic growth.
- EBITDA in H1 was EUR 1.9m (EUR 1.5m in H1/20) and comparable EBITA EUR 1.6m (EUR 1.5m in H1/20) in line with our estimates of EUR 1.8m and 1.5m.
- Operating profit in H1 amounted to EUR 1.3m (EUR 0.9m in H1/20), slightly above our estimates (Evli EUR 1.1m), at a margin of 12.0%.
- Comparable earnings per share was EUR 0.12 (H1/20: 0.15)
- Personnel at the end of the period amounted to 171 (116).
- Netum completed its IPO in June and was listed on the Nasdaq First North Growth Market Finland marketplace. Listing expenses affecting comparability amounted to EUR 0.9m.
- **Guidance reiterated:** Netum expects its net sales to grow to EUR 20–22m and its comparable EBITA to amount to EUR 3.1–3.5m in 2021.

Rating	🟡 HOLD
Share price, EUR (Last trading day's closing price)	4.60
Target price, EUR	4.4
Latest change in recommendation	07-Jun-21
Latest report on company	07-Jun-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	11,535
No. of shares fully diluted, '000's	11,535
Market cap, EURm	53
Free float, %	-
Exchange rate	0.000
Reuters code	NETUM.HE
Bloomberg code	NETUM.FH
Average daily volume, EURm	0.0
Next interim report	24-Aug-21
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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	13.4	0.7	5.0%	1.1	0.02	0.0	0.4	7.1	0.0	0.05
2020	17.5	2.0	11.5%	1.8	0.15	0.0	0.2	1.4	0.0	0.08
2021E	21.0	2.5	11.8%	2.4	0.09	50.4	2.2	19.0	4.5	0.09
2022E	25.2	2.8	11.0%	2.9	0.17	27.7	1.8	16.4	5.4	0.10
2023E	29.5	3.5	11.9%	3.5	0.22	21.1	1.5	12.2	6.6	0.12
Market cap, EURm				53	BV per share 2021E, EUR		-47.9	CAGR EPS 2020–23, %		14.3
Net debt 2021E, EURm				-6	Price/book 2021E		4.2	CAGR sales 2020–23, %		18.9
Enterprise value, EURm				47	Dividend yield 2021E, %		2.0	ROE 2021E, %		12.0
Total assets 2021E, EURm				19	Tax rate 2021E, %		20.0	ROCE 2021E, %		20.1
Goodwill 2021E, EURm				6	Equity ratio 2021E, %		65.7	PEG, P/E 21/CAGR		1.1

All the important disclosures can be found on the last pages of this report.

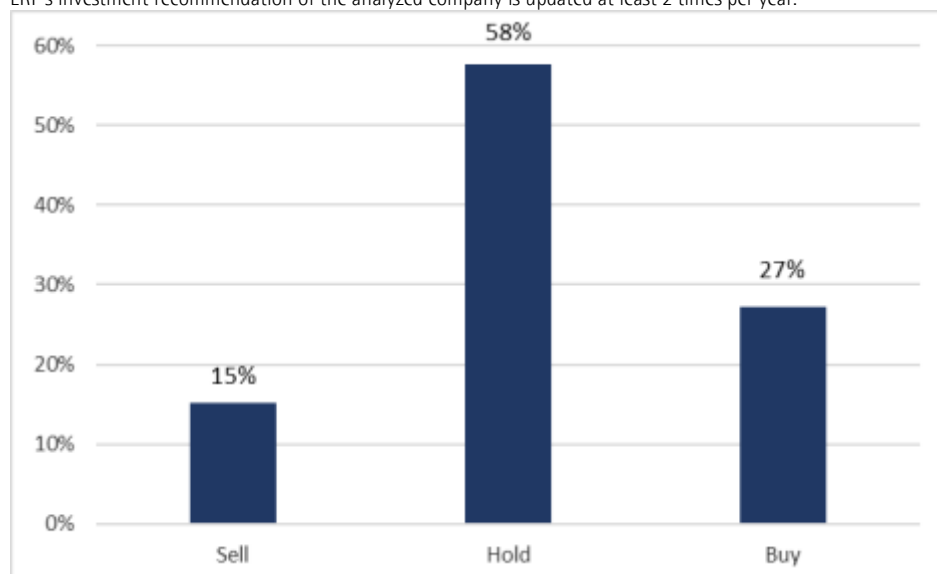
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Salokivi

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